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## ON-THE-JOB TRAINING: POLICY AND PROCEDURES

### POLICY #: 550

Date of Original Policy: 06/13/01  
Effective Date: 7/1/07

Date of Current Revision: 6/1/07

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### Purpose

The purpose of an On-the-Job Training (OJT) is to assist businesses in training and retaining skilled, productive workers. OJTs may be used to help train newly hired employees or eligible current employees. OJTs are described in WIA §101(31). These procedures outline how an On-the-Job Training Agreement and subsequent Training Plans are to be developed.

### Aligning OJTs in the Portland/SW Washington MSA

Because the Portland Metro and SW Washington service areas comprise one labor market, area employers may work with a number of OJT brokering agencies and several workforce regions. It is desirable from a customer service and marketing standpoint to keep OJT paperwork and rules as simple and standard as possible, throughout the greater Portland/SW Washington labor market.

To that end, these procedures define an OJT process that is in place in the City of Portland, Multnomah, Washington, Clark, Cowlitz, and Wahkiakum Counties.

### OJT Requirements

On-the-job training is provided under a contract with an employer in the public, private non-profit, or private sector. Through the OJT contract, occupational training is provided for the WIA participant in exchange for reimbursement of up to 50 percent of the wage rate to compensate for the employer's extraordinary costs. (WIA sec. 101(31)(B)) (663.700(a))

### OJT Procedures

#### 1. OJT Structure

OJT Agreements are signed by employers and the Provider. OJT agreements are non-financial. **When a trainee is identified and determined eligible, a Training Plan is completed, and at that point funds are obligated.**

The OJT payment to the employer is divided into two parts: 1) Training completion and expected continued employment at thirty (30) or more hours per week; and 2) continued employment through the ninety (90) day retention period and expected continued employment at thirty (30) or more hours per week.

The total OJT reimbursement amount may never exceed 50% of the trainee's gross earnings during the training period, or \$5,000 **whichever is less**. Up to half the OJT reimbursement, not to exceed \$2,500 is paid at the end of the training if all conditions for a training payment are met (see #9 below).

The remainder of the OJT reimbursement is paid at retention, if all conditions for a retention payment are met (see #9 below). The total OJT reimbursement obligation – the sum of the training payment and retention payment amounts – should be calculated and shown on the top of the Training Plan and is the amount obligated for the training activity.

## **2. OJT Trainees**

All OJT trainees must be determined WIA eligible and enrolled in the WIA program. However, OJT paperwork can be completed within 2 weeks of start date. OJTs may also be written for current employees who require additional training to advance in their salary structure, to a new position, or to a position eligible for benefits.

## **3. OJT Forms and Paperwork**

The following standard OJT forms will be used, inserting the name and contact information of the provider where indicated. The forms are provided as Word Document Forms and are designed to be created on a computer and printed for signature.

- On-the-Job Training Employer Checklist (Attachment A)
- On-the-Job Training Agreement and Rules (Attachment B)
- On-the-Job Training Plan and Instructions (Attachment C)
- On-the-Job Supplemental Training Plan (Attachment D)
- On-the-Job Training Plan Modification (Attachment E)
- On-the-Job Training Invoice – Training Period (Attachment F)
- On-the-Job Training Invoice – Retention Period (Attachment G)
- On-the-Job Training Exceptions (Attachment H)

## **4. On-the-Job Training Employer Checklist**

Complete the checklist with an employer who may be interested in entering into an OJT Agreement. Only one checklist is needed per employer, regardless the number of OJT Agreements that are in place. The checklist should be updated when the business is sold or transferred, when any other major changes affecting training, hiring or job retention occur, and at least every other year. Every employer must have a completed, current checklist on file.

The first thirteen items on the Employer Checklist are informational and designed to trigger discussion around the Employer's business and workforce needs. The second eight items are regulatory and may prevent writing the OJT if an irresolvable problem surfaces. When the employer representative signs the form, they are attesting to the validity of the regulatory information. The checklist is included in the OJT Agreement by reference.

The checklist discussion should consider each employer's circumstances. For example, relocation need not be discussed with a locally owned grocery store which has been at the same location for ten years. Relocation should be discussed with a national firm with many subsidiaries which is just breaking ground in the area. (See Employer Checklist item #20)

## **5. On-the-Job Training Agreement and Rules**

An On-the-Job Training Agreement is completed after the Employer Checklist has been finalized, and any issues that may have surfaced have been resolved.

Note: If the employer has entered into OJTs in the last two (2) years, the retention rate must either be adequate or an acceptable corrective action plan must be in place. A 75% retention rate is presumed to be adequate. If a lower retention rate has occurred (See Checklist item #21), a reasonable explanation or a corrective improvement must be

documented. If fewer than five OJTs have completed in the last two years, the small sample size should also be considered. This calculation is to take into consideration all OJTs written within our Region – if you have an employer that indicates they have used OJTs in the past, check in with the SWWDC to determine Regional experience (if any).

The Agreement will cover any positions that have been identified for which the employer expects to need help filling and which are likely to require On-the-Job Training, as well as positions which are now filled by eligible adults, dislocated workers or youth who need training to retain employment and advance.

The Agreement and OJT Rules (on the reverse) should be reviewed and discussed with the employer (and any involved staffing agency) to assure they understand the intent of the Agreement as well as the restrictions that apply. Both the employer of record and the provider must sign the OJT Agreement (see Employer Checklist item #5).

## **6. On-the-Job Training Plan and Instructions**

The On-the-Job Training Plan is the document which obligates training funds for a trainee and outlines the planned training activities to be accomplished during the training period. Instructions for making the skill assessments are included on the form.

All trainees must be determined WIA eligible and be determined to require training in order to meet the employer's entry-level standards for the position. Or, the trainee may be a current employee who has been determined WIA eligible and needs training to advance to a new position.

"Skills to be Learned" should be documented in the Training Plan. Put the "skills" in plain English, basing the score primarily upon the supervisor's judgment. Training is presumed to be needed when the Skills to be Learned "Starting Capability" scores are either a "1" (beginning) or a "2" (intermediate) and can be raised to "3"s (skilled) by the end of the training period. Exceptions may be granted on a case-by-case basis.

For new hires, the job should be expected to last at least a year and provide at least thirty (30) hours of work each week. The wage in the Training Plan must be at least \$9.00 per hour. Exceptions may be made on a case by case basis. A current employee must also, as a result of successfully completing the OJT,

- expect a wage gain of \$0.50 or more by the end of the training period; or
- expect an upgrade to a new position, and the "backfill" with a new hire for the employee's previous position is made through the provider when training is complete; or
- a case-by-case exception may be granted by the SWWDC. Examples of exceptions might include (but are not limited to) a worker has a disability and requires retraining, medical benefits and regular employment status are gained as a result of the training, or a layoff can be averted through retraining.

Training need, training completion, and training length are determined trainee by trainee, using the OJT Training Plan Instructions. The duration of the training period should be estimated as follows:

- The provider representative, working with the employer, determines the job title for the position to be trained for, referencing the Occupational Network (O-Net).

- From O-Net, SVP parameters are obtained. It is within these parameters that the length of training is set.
- The provider representative should consider the training needs of each participant.
- An OJT must be limited to the period of time required for a participant to become proficient in the occupation for which training is being provided. In determining the appropriate length of the contract, consideration must be given to the skill requirements of the occupation, the academic and occupational skill level of the participant, prior work experience, and any disability.
- No OJTs should be written with a Training Period of less than four weeks or more than 26 weeks. Exceptions may be made on a case-by-case basis.
- A current employee may receive an OJT if they are determined eligible and additional skills and abilities are needed. The OJT “Starting Capability” score and planned gain by the end of the Training Period document the need for additional skills and abilities and justify the writing of an upgrade OJT.

#### **7. On-the-Job Supplemental Training Plan**

Supplemental training tied to training on-the-job may be negotiated using the OJT Supplemental Training Plan. An example is a computer class that would help the trainee better complete their job duties, and it is scheduled during normal work hours. The employer might agree to release the trainee for the time and the trainee agrees to take, attend and make satisfactory progress in the class. Supplemental training is highly encouraged where appropriate and may be paid for, in whole or in part, by the employer, the provider or, occasionally by the trainee. WIA training funds may be used for supplemental training required as a part of the Training Plan.

#### **8. On-the-Job Training Plan Modification**

Modifications to the OJT may be executed as needed. The most common modification is extension of the training period. The second most common modification is a changed Training Plan. Work conditions often shift or trainee skills may require new work duties or a position change.

#### **9. OJT Invoices**

There are two pay points for On-the-Job Training Plan obligations – at the completion of training and at the end of the retention period. The total OJT payment may not be more than 50% of the wages earned during the training period, or \$5,000, **whichever is less**. One-half of the payment is made at the completion of training and the remainder paid 90 days later at the successful retention of the trainee.

#### **OJT Invoice – Training Period**

Once all of the “Skills to be Learned” listed in the Training Plan have been scored a “3” (“skilled”), an invoice may be submitted for the Training Period. The standard for scoring a “3” is “Meets the Employer’s standard for the Task.” Scoring should consider the employer’s normal expectation for an employee in the same position at the same pay grade and with similar job tenure. Exceptions may be made on a case-by-case basis.

The trainee must still be employed and expected to work at least thirty (30) or more hours each week in the normal course of business after the training period and retention period. No material compliance issues may be outstanding.

Complete all components of the training period invoice and use the calculation on the invoice to compute the appropriate billing amount.

### **OJT Invoice – Retention Period**

The remainder of the OJT reimbursement (no more than 50% of gross wages in the training period, minus the training payment) may be requested after an additional ninety (90) days has elapsed after training completion and the trainee has retained employment which is expected to provide thirty (30) hours of paid work a week or more.

Exceptions may be granted on occasion. An example of a case when an exception could be made is when a trainee voluntarily switches jobs to increase their pay rate or gain other significant benefits. If the trainee quits or is fired for cause, disqualifying them from receiving unemployment compensation, an exception may also be granted, particularly if the Employer has a good retention track record and continues to hire through the WorkSource system.

Total OJT reimbursements for an individual trainee should not exceed the amount obligated as shown on the top of the Training Plan, or any subsequent modifications.

### **10. Trainees Leave Prior to Completion of Retention**

If the trainee leaves during the training period, the employer will be reimbursed only for 50% of the wages **earned during training, prior to separation.**

If the trainee leaves on their own or is terminated for cause during the retention period, the employer should be reimbursed for all training costs (both the training payment and the retention payment). A meeting with the employer should try and determine if the Trainee actually went to another employer at an equal or better salary as a result of the training received. Are there circumstances that need to be addressed in future referrals? Can a replacement re-fill the position, with or without another OJT?

If the trainee is laid off during the retention period, the employer does not qualify to receive the retention payment.

### **11. Writing a Second OJT for the Same Individual**

When training and retention is completed, there may be opportunity to see if an “upgrade” is possible (increasing pay \$.50 an hour or more) and if a “backfill” and a new hire can be negotiated. If “upgrade” is possible, consider writing a second OJT for the same Trainee. Significant additional training, as documented in a new Training Plan, must be needed.

### **12. On-the-Job Training Exceptions**

As noted throughout these procedures, from time-to-time a participant or work conditions may not fit the “OJT” model. Exceptions should not become the norm but may be made when appropriate. Recognized exceptions include:

- A. The trainee is not expected to be fully skilled (all “3”s on the Ending Capability score) at the end of the training period, but substantial training has occurred and the trainee is expected to be retained and trained further by the Employer. The Trainee should have gained a significant number of score points overall: “1”s to “2”s and some “2”s to “3”s, for example. An extension of the training period past the 26 weeks may be warranted, or the employer may deem the participant “trained” to a satisfactory level to maintain employment in the position.

- B. A current employee trainee will not achieve a wage gain of 50 cents per hour or more, and no upgrade and “backfill” is expected. If there are other considerations, such as benefits or lay-off aversion, an exception may be warranted.
- C. The job pays less than \$9.00 per hour but a special participant or employer circumstance exists. For example, medical benefits are provided to a single mother on public assistance or an employee with a recent prison stay, but the job only pays \$8.50 per hour. The employer might expect to accelerate pay increases through advancement so that trainees hired at \$8.50 can reasonably expect to earn \$9.00 by Retention.
- D. Training is critically needed and results can be measured, but may be for a very short or a very long period of time.
- E. The employer did a good job of training but may not qualify for all or part of the OJT reimbursement because the trainee quit or was fired for cause.
- F. A trainee’s individual circumstances should also be considered. For example, the OJT length or amount may be adjusted to reasonably accommodate a learning or other disability.

All exceptions should be documented using the On-the-Job Training Exceptions form, and submitted to the SWWDC.